

# WHAT'S AT STAKE:

## Impacts of Increased Indigent Care Enrollment on Counties in the Absence of State Support

### OVERVIEW

Counties across California will face significant fiscal and programmatic pressures as indigent care costs increase. The following outlines the anticipated cascading impacts on counties in the absence of sufficient state resources to support this mandate.

### 1 Indigent Care Programs Will Be Reduced to Minimum Requirements:

County indigent care programs statewide will be forced to provide only the minimum level of services necessary to comply with state mandates.

### 2 Public Health Services Will Be Severely Eroded:

Counties will direct most, if not all, 1991 Health Realignment funding to cover rising indigent care costs. As a result, essential public health services — such as disease prevention, immunization programs, and emergency preparedness — will be significantly reduced or eliminated.

### 3 Social Services and Mental Health Programs may Be Strained:

While counties have the authority to invoke transfer provisions under 1991 Realignment across Social Services, Mental Health, and Health to help offset indigent care expenses, those options are increasingly constrained. Program growth and escalating cost pressures have already strained the subaccounts that fund other essential components of the safety net, including CalFresh administration, In-Home Supportive Services (IHSS), child welfare services, and mental health programs. As a result, counties are left facing untenable trade-off decisions.

### 4 County General Funds Will Be Required to Backfill Indigent Care Costs:

After exhausting realignment funding sources, counties will be compelled to rely on General Fund dollars. This shift will reduce funding available for other essential county priorities, such as public safety and homelessness programs.

### ABOUT INDIGENT CARE

Counties are legally obligated to provide subsistence medical care to lawful residents, ensuring access to basic, medically necessary services delivered in a manner that avoids unnecessary suffering and does not endanger life or health. This care must be sufficient to protect life, prevent serious illness or disability, and avert substantial pain or infection, and it must be provided both promptly and humanely. As a result, counties serve as the healthcare provider of last resort for low-income lawful uninsured residents. Although this obligation applies statewide, each county sets its own standards for eligibility, benefits, and service delivery.

County indigent care programs rely heavily on 1991 health realignment funds; however, with the implementation of the Affordable Care Act, the State anticipated that county indigent care costs would decline as more residents gained coverage through Medi-Cal and Covered California. In response, California enacted Assembly Bill 85 in 2014 to redirect most of the 1991 health realignment revenues counties received for indigent care to the State and to slow the growth of 1991 health realignment revenues that counties continued to receive.

### CONSEQUENCES IF THE STATE DOES NOT ACT:

Without additional state support or policy adjustments, rising indigent care costs will destabilize county budgets, weaken California's public health infrastructure, and divert limited resources in ways that compromise public safety and erode essential county services. Counties will be forced to implement hiring freezes, furloughs, and layoffs, reducing staffing across public health, social services, and other county functions. These workforce reductions will significantly limit counties' capacity to deliver services efficiently and respond to community needs, even as demand for county programs continues to increase.